

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0756-01
Bill No.: HB 0211
Subject: Licenses - Motor Vehicle, Motor Vehicles, Revenue Department
Type: Original
Date: February 6, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Highway Funds	\$23,136	\$25,200	\$25,200
Total Estimated Net Effect on <u>All</u> State Funds	\$23,136	\$25,200	\$25,200

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Cities	\$7,368	\$5,040	\$5,040
Counties	\$4,913	\$3,360	\$3,360
Total Estimated Net Effect on Local Government	\$12,281	\$8,400	\$8,400

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

FISCAL ANALYSIS

ASSUMPTIONS

Officials from the **Department of Public Safety - Missouri Veterans' Commission** assume this proposal would have no fiscal impact on their agency.

Officials from the **Department of Revenue** assume:

LICENSE PLATE ADVISORY COMMITTEE PROVISIONS

Since this proposal eliminates legislative approval for specialized plates, it is believed that there will be a tremendous increase in specialized plate applications. Also, the provisions of this proposal require the advisory committee to hold at least three public meetings in different areas of the state to invite public input. The members of the committee are to be reimbursed for their actual and necessary expenses. Therefore, DOR will incur travel, lodging and meal expenses. DOR is unable to predict the extent or amount of applications for new specialized license plate types that will be received, therefore, an UNKNOWN fiscal estimate for FTE needs and associated equipment and expenses is being reported for this portion of the proposal.

Oversight notes that the advisory committee is similar to an existing committee on license plate design created by Section 301.129 RSMo 2000, and has the same ex officio members. Oversight assumes since most of the commission members are employees of the state of Missouri that travel expenses for the commission members for the required three public meetings can be absorbed with existing resources. Oversight also assumes the FTE needs of the committee, if any, can be met by existing employees.

RE-ISSUANCE OF SPECIALIZED PLATES

This proposal also requires the re-issuance of approximately 356 Combat Infantryman plates because the color red is deleted from the language and 1,186 because "Amateur Radio" is to be shown on the plate in place of "Show-Me-State". This would cost DOR approximately \$4.48 per set of plates re-issued.

1,542 x \$4.48 =(\$6,908) for FY02

ASSUMPTIONS - continued

REVENUE IMPACT

DECREASE IN REVENUE

This proposal removes the \$15 additional fee for the "personalization" of military plates, "personalization" of fire department plates and retired military plates (stock & personalized). The Motor Vehicle Bureau (MVB) has issued 1,501 "personalized" military plates, 487 "personalized" fire department plates. Eliminating the additional \$15 "personalization" fee will result in the following revenue impact.

$$1,988 \times \$15 = \$29,820 / 12 \text{ months} = \$2,485 \times 10 \text{ months} = (\$24,850)$$

FY02

$$\begin{aligned} \$24,850 \times 75\% &= (\$18,638) \text{ Highway Fund} \\ \$24,850 \times 15\% &= (\$3,728) \text{ Cities} \\ \$24,850 \times 10\% &= (\$2,485) \text{ CART} \end{aligned}$$

FY03 & 04

$$\begin{aligned} \$29,820 \times 75\% &= (\$22,365) \text{ Highway Fund} \\ \$29,820 \times 15\% &= (\$4,473) \text{ Cities} \\ \$29,820 \times 10\% &= (\$2,982) \text{ CART} \end{aligned}$$

INCREASE IN REVENUE

The provisions of this proposal will result in a \$15 fee for 113 sets of Prisoner of War license plates, and 390 Special Military license plates per year. This proposal also allows additional categories of motor vehicles to obtain special plates. The Motor Vehicle Bureau assumed there would be approximately 2,884 additional applications for special plates because of the change in weight limits. An additional \$15 fee will be required for all these types of plates per year.

The option for biennial motor vehicle registration began July 1, 2000. Of the applicants being offered biennial registrations approximately 80% are choosing this option. Therefore, the following projections are based on the estimated number of individuals that will choose biennial per year. (Even numbered vehicles will be offered in even number years and odd numbered vehicles will be offered in odd number years.)

ASSUMPTIONS - continued

FY02

$\$59,275 \times 75\% = \$44,456$ Highway Fund

$\$59,275 \times 15\% = \$8,891$ Cities

$\$59,275 \times 10\% = \$5,928$ CART

FY03 & 04

$\$50,820 \times 75\% = \$38,115$ Highway Fund

$\$50,820 \times 15\% = \$7,623$ Cities

$\$50,820 \times 10\% = \$5,082$ CART

This proposal creates one new license plate type to be known as Square and Round Dance Club. Officials with the Missouri Federation of Square and Round Dance Clubs estimate their membership is approximately 12,000. It is assumed 7% of this membership will apply for the special plate. The provisions of this proposal require the payment of an additional \$15 fee for this special plate. Therefore, the revenue impact to the Highway Fund, Cities and County Aid Road Trust Fund (CART) is follows:

$12,000 \times 7\% = 840$ Square and Round Dance Club license plate applications.

This proposal also allows additional sets to be issued with already existing speciality plates and creates new categories in already existing speciality plates by increasing the weight limit to 18,000 pounds.

The option for biennial motor vehicle registration began July 1, 2000. Of the applicants being offered biennial registrations approximately 80% are choosing this option. Therefore, the following projections are based on the estimated number of individuals that will choose biennial per year. (Even numbered vehicles will be offered in even number years and odd numbered vehicles will be offered in odd number years.)

FY02

$\$14,700 \times 75\% = \$11,025$ Highway Fund

$\$14,700 \times 15\% = \$2,205$ Cities

$\$14,700 \times 10\% = \$1,470$ CART

FY03 and 04

$\$12,600 \times 75\% = \$9,450$ Highway Fund

$\$12,600 \times 15\% = \$1,890$ Cities

$\$12,600 \times 10\% = \$1,260$ CART

ASSUMPTIONS - continued

The Motor Vehicle Bureau will require the services of one (1) Clerk Typist II's for 460 hours of overtime to process additional plate applications. The Clerk Typist II's responsibilities will include editing, correspondence, validation, key entry, telephone and customer walk-in assistance.

Oversight assumes this overtime is required for the re-issuance of personalized plates and has included the overtime in the estimated fiscal impact.

In addition, the bureau will incur expenses in the amount of \$63,565 for policy and procedure changes, forms and postage, and \$28,845 for plates and tabs for FY02.

Oversight assumes that any additional cost to DOR for the policy and procedure changes, forms and postage, and additional plates and tabs which will be required by this proposal will be minimal and can be absorbed from existing resources.

ADVISORY COMMITTEE - ADDITIONAL SPECIALITY PLATES

There will also be an UNKNOWN increase due to the anticipated additional specialty plate applications that will be approved by the License Plate Advisory Committee and the additional increase due to the additional Combat Medic plates.

Oversight assumes there may be an increase or decrease in revenues from special license plate fees, depending on the actions taken by the committee. Oversight has excluded any potential increase or decrease in revenues from the estimated fiscal impact.

Officials from the **Department of Transportation**, in response to a similar proposal, concur with the Department of Revenue response.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
HIGHWAY FUNDS			
<u>Revenue -</u>			
Creation of Square and Round Dance Club specialty plates	\$11,025	\$9,450	\$9,450
Creation of additional specialized license plates	\$44,456	\$38,115	\$38,115
Eliminating fee on certain specialized license plates	(\$18,638)	(\$22,365)	(\$22,365)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Cost - Department of Revenue</u>			
Re-issuance of certain specialized License plates	(\$6,908)	\$0	\$0
Additional overtime for clerk-typist II	(\$6,799)	\$0	\$0
ESTIMATED NET EFFECT ON HIGHWAY FUNDS	<u>\$23,136</u>	<u>\$25,200</u>	<u>\$25,200</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Revenue to Cities</u>			
Creation of Square and Round Dance Club specialty plates	\$2,205	\$1,890	\$1,890
Creation of additional specialized license plates	\$8,891	\$7,623	\$7,623
Eliminating fee on certain specialized license plates	(\$3,728)	(\$4,473)	(\$4,473)
<u>Revenue to Counties</u>			
Creation of Square and Round Dance Club specialty plates	\$1,470	\$1,260	\$1,260
Creation of additional specialized license plates	\$5,928	\$5,082	\$5,082
Eliminating fee on certain specialized license plates	(\$2,485)	(\$2,982)	(\$2,982)

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENT**

\$12,281

\$8,400

\$8,400

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would substantially revise the motor vehicle license plate laws.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Missouri Veterans' Commission



Jeanne Jarrett, CPA
Director
February 5, 2001